THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) With an objective of import substitution and self-reliance for foreign trade, Export Promotion, Capital Goods Scheme as well as Duty Exemption Scheme under Export-Import Policy, 1997-2002, permits procurement of capital goods and raw materials respectively from domestic market. Such domestic suppliers are entitled for deemed export benefits so that they could supply at Internation price, Similarly, certain categories of supplies as given under Chapter X of Export-Import Policy, 1997-2002, are entitled for deemed export benefits.

(b) For improving the balance of payment of the country, export promotion measures are continously being taken by the Government through suitable changes in Policies and Procedures for providing an export friendly environment, involvement of State Governments in export promotion, consultation with Trade and Industry. Recently, the Export-Import Policy, 1997-2002 has also been announced.

Fudging of STC Accounts

4008. SHRI RAM GOPAL YADAV:
SHRI ISH DUTT YADAV:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the news item published in Financial Express of October 1, 1996, regarding fudging of STC accounts;

(b) if so, the details thereof; and

(c) in what way Government propose to cover up Rs. 51 crores loss suffered by the corporation?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) Yes. Sir.

(b) and (c) State Trading Corporation of India has intimated that it finalised its accounts for the financial year 1995-96 on the basis of its well established accounting policies. The accounts were audited by the statutory auditors appointed by the Comptroller and Auditor General and the same were considered and approved by the Borad of Directors of STC. These audited accounts of STC reflected a profit of Rs. 32.67 crores. However, C&AG subsequently in its comments observed that the provision should be made for the following amounts:—

(a) Rs. 20.02 crores to be realised on account of canalised import of newsprint in the period prior & upto 1991-92.

(b) Rs. 60.33 crores to be realised on account of import of fatty acid.

(c) Rs. 3.00 crores as investment made in Tea Trading Corporation of India (TTCI), a wholly owned subsidiary of STC.

The Board of Directors of STC considered the comments and keeping in view the facts that the amounts at (a) & (b) above are debts to be realised from the Government and sale of tea gardens is under process in TTCI, the Board decided not to make any provisions for these amounts. The shareholders of STC in the Annual General Meeting also approved the stand taken by STC Board.

Target for Sugar Export to Indonesia

4009. SHRI AMAR SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the quantum of sugar targeted for export to Indonesia during the current financial year;

(b) the actual export upto the 28th February, 1997 to that country by Indian Sugar and General Industry Export Corporation; and

(c) the reasons for not meeting the target fixed earlier?